RICHMOND DIVISION

US BANKRUPTCY COURT

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IN THE UNITED STATES BANKRUPTCY COUR FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

MAY X 3 2012 Ε CLERK

In re:

Chapter 11

CIRCUIT CITY STORES, INC., et al.,

CASE NO. 08-35653(KRH)

Debtors.

(Jointly Administered)

RESPONSE AND CONCISE STATEMENT OF CREDITOR PATRICK J. MANZI, JR., INDIVIDUALLY AND P.P.A. AS PARENT AND NEXT FRIEND OF CREDITOR PATRICK J. MANZI III, AND CREDITOR KIMBERLY MANZI, INDIVIDUALLY AND P.P.A. AS PARENT AND NEXT FRIEND OF CREDITOR PATRICK J. MANZI III, TO THIRTY-FIRST OMNIBUS OBJECTION SEEKING TO DISALLOW CLAIM

The above-captioned Respondents/Claimants in the above (hereinafter, collectively, the "Respondents"), by and through this declaration of their undersigned counsel, who has the authority to reconcile, settle or otherwise resolve the Objection on the Respondents' behalf, hereby move this Court to overrule the Objection of the Liquidating Trust seeking to disallow the Respondents' claim.

The claim arises out of an accident with personal injury occurring on December 1, 2006, at debtors' store located at 140 Hillside Road, Cranston, Rhode Island. Thereafter, Sedgwick Claims Management Services, Inc., on behalf of the debtors, responded to a suit filed by the Respondents in Providence County Superior Court, Civil Action No. 2008-4055, and made a settlement offer. See Exhibit A attached. The negotiations continued with a further settlement offer on September 15, 2008, see Exhibit B attached, then concluded with a settlement offer of \$8,000.00 on December 3, 2008, see Exhibit C attached, to which the Respondents agreed and signed a release, attached as Exhibit D. The December 3, 2008 correspondence was

the Respondents' first notice of any petitions by the debtors for relief under the Bankruptcy Code. Thereafter, until later notified, on December 6, 2010, by the debtors' attorney in the aforementioned personal injury action that the settlement fell within a self-insured retention with no insurance to cover this particular loss, see Exhibit E, the Respondents had no knowledge of any need to file a proof of claim, but which claim they thereafter immediately filed. In view of the foregoing, it would be improper and inequitable for the Respondents' claim to be disallowed or reduced. The claim was filed within a reasonable time after the Respondents became aware that their claim was in jeopardy, and the filing does not materially or substantially prejudice other creditors, or materially delay the administration of the estate. See In re Middle Plantation of Williamsburg, Inc., 48 B.R. 789, 800-01 (Bankr.E.D.Va. 1985). In order to effectuate and resolve fairly the arms-length negotiated settlement of the personal injury suit against the debtors, the Respondents urge this Court to overrule the Objection of the Liquidating Trust.

WHEREFORE, the Respondents request that the Objection to their claim be overruled.

PATRICK J. MANZI, JR., individually and p.p.a. as Parent and Next Friend of PATRICK J. MANZI III, and KIMBERLY MANZI, individually and p.p.a. as Parent and Next Friend of PATRICK J. MANZI III, By their Attorneys,

Robert J. Levine, Esq.
Benjamin A. Pushner, Esq.
ROB LEVINE & ASSOCIATES, LTD.
544 Douglas Avenue
Providence, RI 02908

TELEPHONE: (401) 621-7000 TELECOPY: (401) 429-0286

CERTIFICATION

I hereby certify that I have filed the within with the United States Bankruptcy Court on this 1st day of May, 2012, and that I have caused a copy to be sent to:

Lynn L. Tavenner, Esq.
Paula S. Beran, Esq.
TAVENNER & BERAN, PLC
20 North Eighth Street, 2nd Floor
Richmond, VA 23219

Telephone: (804) 783-8300 Telecopy: (804) 783-0178

Telecopy: (310) 201-0760

Jeffrey N. Pomerantz, Esq. Andrew W. Caine, Esq. PACHULSKI STANG ZIEHL & JONES, LLP 10100 Santa Monica Boulevard Los Angeles, CA 90067-4100 Telephone: (310) 277-6910

Benjamin A. Pushner, Esq.



Sedgwick Claims Management Services, Inc.

P. O. Box 14432, Lexington KY 40512-4432 Telephone: 1 866 856 4805, Ext. 63359 Facsimile: 901-566-3415

May 15, 2008

Justice for All Kimberly Simons 544 Douglas Ave Providence, RI 02908

Re: Claim Number: 20061202083

Insured: Circuit City

Claimant: Parent of Patrick Manzi

Date of Loss: 12-01-06

Dear Ms. Simons:

Per our recent telephone conversation, we are willing to offer your client \$6,584.00 to settle their claim.

Thank you for your assistance and cooperation in this matter.

Sincerely,

Nancy Wallace

Claims Examiner

Exhibit A

Case 08-35653-KRH

Doe 11924 Filed 05/03/12 Entered 05/04/12 16:18:44 Desc Main Document Page 5 of 11 FireGINS, CAVANAGH & CONEY, Li

ATTORNEYS AT LAW
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123 DYER STREET
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GERALD C. DEMARIA* JOHN T. WALSH, JR.* CHARLES A. HAMBLY, JR. STEPHEN B. LANG LAWRENCE P. MCCARTHY, III JAMES A. RUGGIERI* JAMES T. HORNSTEIN* JOHN F. KELLEHER* VIVIAN B. DOGAN* PAUL S. CALLAGHAN* SUSAN PEPIN FAY* PETER E. GARVEY** CHRISTINE D'ORSI FITTA STEPHEN P. COONEY BETH OLDMIXON* KELLY A. KINCAID* GINA M. RENZULLI*

'ALSO ADMITTED IN MA
**ALSO ADMITTED IN CT
OF COUNSEL
KENNETH P. BORDEN

September 15, 2008

Kimberly R. Simon, Esq. JUSTICE FOR ALL, LLP 544 Douglas Avenue Providence, RI 02908

Re:

Patrick J. Manzi, Jr., et al vs. Circuit City Stores, Inc.

Our File: 15917

Dear Ms. Simon:

This will serve as confirmation of our communication of September 25, 2008 in which I offered to settle this matter for \$7,000.

As I indicated to you, if your clients are not willing to accept this offer, then I will need to have Patrick and his father come into my office so that I may view his scar.

I look forward to hearing from you regarding this matter.

Very truly yours, Beth A. Oldmixon

Exhibit B

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HIGGINS, CAVANAGH & COONEY, LLP

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*ALSO ADMITTED IN MA
**ALSO ADMITTED IN CT
OF COUNSEL
KENNETH P. BORDEN

December 3, 2008

Kimberly R. Simon, Esq. JUSTICE FOR ALL, LLP 544 Douglas Avenue Providence, RI 02908

Re:

Patrick J. Manzi, Jr., et al vs. Circuit City Stores, Inc.

Our File: 15917

Dear Ms. Simon:

This will confirm our agreement of settlement of this matter for the amount \$8,000. Please find enclosed a copy of a release and dismissal stipulation.

In addition, please send me a letter on your letterhead whereby you and your client agree to defend, indemnify and hold harmless Circuit City Stores. Inc., Higgins Cavanagh & Cooney, LLP and the undersigned from any and all liens in connection with this matter.

Please also find enclosed a Suggestion of Bankruptcy for Circuit City. As you can see, on November 10, 2008 Circuit City filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division.

Accordingly, while we will forward the release to our client, we cannot guarantee that payment will be made in a timely fashion.

Please feel free to contact me with any questions.

Very truly yours,

Bails & Older

BAO:pae/Enclosures

Exhibit C

PARENTS JOINT TORTFEASOR RELEASE AND INDEMNITY AGREEMENT

KNOW ALL MEN THA! WE PATRICK MANZE IR and KIMBERLY MANZI individually and as parents and natural guardians of a minor, PATRICK J. MANZI, III. (Releasor) in consideration of the sum of EIGHT THOUSAND DOLLARS AND 00/100 (\$8,000,00) to us paid by CIRCUIT CIET STORES, INC. the receipt whereof is hereby acknowledged, do hereby remise, release and forever quitelain unto said CTRCUIT CTIV STORES, INC., (Releasee) us, successors and assigns, and to any and all other persons, turns or corporations, their employees, agents, servants, representatives, officois, directors, successors and assigns, whether now known or unknown who are, or may in the future be determined to be hable to me or the said minor all and all manner of actions causes of action, debts, dues, claims and demands, both in law and in equity more especially, without limiting the generality of the foregoing any chain whatsocyer, whether known or unknown, auto-pated or managepated, arising out of that accident which occurred on Thecember 1, 2400 which is the subject of CA. No. 2008 4055 in the Providence Counts Superior Court, which against said Circuit City Stores, Inc., or any other person, furn or corporation, said Releasor ever had, now has or in the future may have for or by reason or means of any matter or thing from the beginning of the world to the date of these presents

The undersigned further agrees, in consideration of the atoresaid payment, to hold hartaless and indemnify said CRECTE CITY STORES. INC. and any and all other persons firms or corporations, their respective employees, agents, servants, representatives, officers, directors successors and assigns, whether how known or unknown who are or who may in the future be determined to be hable to the undersigned

EXMIST D

assigns, of and from all and all manner of actions, causes of action, debts, dues, claimand demands, both in law and in equity, that may bereafter at any time be made or brought by said minor of anyone acting on behalf of said minor for the purpose of enforcing a further claim to damages on account of the injuries sustained in consequence of the aforesaid accident

The Releasor further expressly coverants and agrees that all claims for damages recoverable by the Releasor against all other persons, firms or corporations who are or may be jointly or severally hable to him in fort or otherwise for said damages, are hereby reduced by the statutor; pro rata share of the Releasee under the Uniform Contribution. Among Fortleasors Act or the State of Rhode Island, or the sum of \$8,000, whichever is the greater reduction, for all such damages recoverable by the Releasor or by any person firm or corporation on their behalf, against all other joint tortleasors.

harmless the Releasee, its successors and assigns afficers, directors, stockholders, attorneys, agents, servants representatives, employees, subsidiaries and affiliates from any and all liability, loss costs or expenses debts, dues, claims demands, actions or causes of action claims for loss of consortium, both in law and in equity functioning any claims for indeminification and/or contribution) which may hereafter at any time be made or brought by the Releasor or anyone acting on his behalf, or any other person, but or corporation acting independently, for purposes or enforcing any further claims, liens or damages on account of the aforesaid acts or occurrences.

This joint torthusor release shall not for any purpose be considered an admission of halights or land on the part of any party, but shall be construed only as the compromise of a disputed claim.

The undersigned shall keep the terms, amount and fact of such agreement, set forth in this Release, confidential. The undersigned will not disclose any information concerning this Release to any person, party or cutity other than plaintiff's attorneys, accountants, tax advisers with a need to know based on representing plaintiff's legal or financial interests. Notwithstanding the above, it is expressly agreed that plaintiff may state in response to inquiries that the livigation between the parties has been resolved.

The terms of this form Tortlessor Release are confractual and not a nurve recital

P. WTINESS WHEREOF, we have become set our hands and scale this 17-46 day of Decomporer 2008 1

Claude M. Cutho

VANZIZER, individually and as parent and natural guardian of

PATRICK J. MANZEIII

Witness

as parent and natural gnardian of

PATRICK J. MANZEIII

HIGGINS, CAVANAGH & COONEY, LLP

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JOHN P. COONEY, JR. 1960-1981

JOSEPH V CAVANAGH 1952-1985

*Also Admitted in MA
**Also Admitted in CT

OF COUNSEL KENNETH P. BORDEN

December 6, 2010

Benjamin Pusher, Esq. ROB LEVINE & ASSOCIATES 544 Douglas Avenue Providence, RI 02908

Re: Manzi v Circuit City Stores Inc.

Our File: CCS - 15917

Dear Ben:

In furtherance of my investigation into the insurance situation on this claim, I have obtained a copy of the declaration page regarding insurance issued by Old Republic Insurance Company. A copy of that declaration page is enclosed. Please note that it covers the time period 10/1/06 to 10/1/07 which encompasses the date of plaintiff's incident (12/1/06). An endorsement to the policy is also enclosed. It is a "Self-Insured Retention Endorsement". Please review that. You will note that the "Self-Insured Retention" is \$500,000. You will note that the insurance company has no obligation to defend, indemnify or settle any claims within the self-insured retention (paragraph E). The bankruptcy of the insured, in this Circuit City, does not affect the fact that it is a self-insured retention and does not alter the obligations of the insurer (paragraph F).

Accordingly, since this case had been settled for \$8,000, it clearly falls within the self-insured retention. Thus, there is no insurance to cover this particular loss.

Please let me know if you have any questions. Otherwise, there appears to me to be no further basis to maintain the lawsuit. You certainly had a claim against the estate and I assume that was filed in any event. I believe that there is a liquidation process ongoing so that there will not be any Chapter 11 plan of reorganization.

Exhibit E

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• Manzi v Circuit City Stores Inc. December 6, 2010

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Please call me if there are any questions.

Very truly yours,

Stephen B. Lang

SBL/sld